



The California Managed Risk Medical Insurance Board

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Board Members

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**Healthy Families Program
2003-06 Insurance-based Oral Health Demonstration Project
Solicitation and 2003 Health and Dental Plans Model Contract
Amendments**

This notice provides important information regarding the Managed Risk Medical Insurance Board's (MRMIB) interest in selecting dental and/or health plan contractors to conduct special projects that address the oral health needs of young children (ages birth to five years) enrolled in the Healthy Families Program (HFP). This solicitation covers proposals for the 2003-04 through the 2005-06 benefit years. All funds for the three-year period will be awarded via this solicitation process. To be eligible to respond to this solicitation, entities must have a contract with the MRMIB to provide services to HFP subscribers for the 2003-04 benefit year. Continuation of any projects that are awarded for the 2004-05 and 2005-06 benefit years is subject to the plan's continued participation in the HFP. The projects are scheduled to begin no later than October 1, 2003.

Background

The HFP is a state and federally funded health, dental, and vision coverage program for children with family incomes above the level eligible for no cost Medi-Cal and at or below 250% of the federal poverty level (\$38,160 for a family of three). The program began coverage for children on July 1, 1998. The MRMIB has administrative responsibility for the HFP. Twenty-seven health plans, five dental plans and one vision plan presently participate in the program.

The Insurance-based Oral Health Demonstration Project is funded by the First-5 California Children and Families Commission (CCFC). The CCFC selected early childhood oral health as one of its focus areas because of the high incidence of chronic oral health disease in children ages birth to five years. The state CCFC is undertaking this oral health initiative to reduce significantly the incidence of dental decay in young children and children with disabilities and other special needs. The oral health initiative consists of two projects; the Education and Training Project and the Insurance-based Oral Health Demonstration Project. The Education and Training Project is comprised of

two components: a) the Provider Education and Training Program targeted to the medical and dental community, and b) the Consumer Oral Health Education Program targeted to parents and other caregivers. The Insurance-based Oral Health Demonstration Projects will use the existing dental and health plans participating in the HFP to administer innovative and proven or promising approaches to increasing the utilization of preventive dental services in young children. It is expected that these two oral health projects will work collaboratively, and will be linked to the School Readiness Programs and Communities Initiative for maximum effectiveness. CCFC's School Readiness Initiative targets children in the communities of high priority (Elementary schools with Academic Index Scores in deciles 1-3). The CCFC also expects that the Insurance-based Oral Health Demonstration Project will build on additional local childhood oral health efforts supported by County Children and Families Commissions. Information on the CCFC's Oral Health Initiative, or School Readiness Initiative is available at: www.ccfc.ca.gov.

The State CCFC will contract with MRMIB for the implementation and administration of the Insurance-based Oral Health Demonstration Project. MRMIB will implement the demonstration projects through its existing network of dental and health plans. The CCFC anticipates that the Insurance-based Oral Health Demonstration Project will create an opportunity to review and improve policies and procedures affecting the delivery and accessibility of oral health services for young children. The projects selected will serve as models for improving preventive oral health measures and treatment.

Proposed Strategies

Proposals submitted for consideration must address the specific goals of the demonstration project which include:

- Increase utilization of preventive dental benefits among young children.
- Increase the capacity of medical and dental providers to serve the oral health needs of young children, including children with disabilities and other special needs.
- Increase access to dental services for young children living in rural and frontier areas.

Please note that MRMIB is encouraging participating plans to collaborate with providers who have historically provided dental and health care services to young children in rural areas and traditionally underserved urban areas to identify the most effective strategies to increase utilization of preventive dental care and treatment in children ages birth to five years, including children with disabilities and other special medical conditions. MRMIB is encouraging participating plans to partner with these providers and submit contract proposals for culturally and linguistically appropriate projects with proven effective strategies or that are innovative and promising, which may include, but not be limited to:

- Case management oriented towards oral health preventive care.
- Home oral health care projects for preventive care designed to encourage families to seek preventive oral health services for their children.
- School-linked oral health projects working collaboratively with the School Readiness Initiative.
- Tele-dentistry education programs with referral capabilities designed to create awareness of the need for early childhood dental screening and the importance of preventive care.
- Special education seminars targeting Healthy Families children and their care givers to create awareness of childhood oral health chronic diseases and to encourage families to utilize preventive care services available to HFP enrolled children.
- Hospital-based or surgical center dentistry (including anesthesia services)
- Mobile Dental Vans: Vans should include access to disabled children, and cover rural areas in multiple counties, as well as under-served urban areas.
- Any other ideas that will help to increase utilization of dental benefits, increase capacity of dental and medical providers to serve the oral health needs of young children, and increase access for young children in rural and frontier areas.

The Demonstration Project will include a major independent evaluation component to measure the project's effectiveness. Therefore, project participants will be required to collect and report a significant amount of data regarding the services provided and the children served.

Funding

The CCFC is providing \$ 3 million for the project over a three year period at a rate of \$1 million for each Fiscal Year (FY) commencing with FY 2003-04. It is anticipated that an additional \$6 million for the three year period will be obtained from Federal Title XXI funds at a rate of \$2 million for each FY commencing with 2003-04.

Contracting Process

Enabling legislation exempts MRMIB from the provisions of state law related to competitive bidding. MRMIB will use a competitive negotiation process to select plans to participate in the Insurance-based Oral Health Demonstration Project. In the competitive negotiation process, the Model Contract Amendments (**Enclosures A & B**) are made available to all existing HFP plans. The Model Contract Amendment requires plans to identify the geographic region for which they are submitting a proposal, the strategies the plan is proposing to implement, and the ideas and creative solutions the plan is willing to agree to in achieving the goals of the Demonstration Project as stated in the model contract amendment.

The necessary contractual provisions will be prepared as an amendment to the current health or dental plan's 2000-04 HFP contracts. It is anticipated that the Insurance-based Oral Health Demonstration Project will begin providing services no later than October 1, 2003. Continued participation in the Insurance-based Oral Health Demonstration Project beyond FY 2003-04 will be subject to continued participation in the HFP and satisfactory performance. MRMIB will reprocure its health, dental and vision plan contracts with a start date of July 1, 2004. All health and dental plans participating in the HFP after July 1, 2004 will enter into new contracts with MRMIB.

After the release of the Model Contract Amendment and prior to the final date for submission of proposals, all interested HFP participating health or dental plans should contact Ruben Mejia, Lead Project Analyst, at (916) 324-6939 to discuss their ideas for proposals and to schedule a meeting with MRMIB staff to begin the negotiation process. Plans should be prepared to discuss the Model Contract Amendment, and their network capabilities for providing services to meet the goals and objectives of the Insurance-based Oral Health Demonstration Project. Plans should be familiar with Title XXI of the federal Social Security Act, the authorizing State HFP Statute (Chapter 623, Statutes of 1997, Insurance Code Section 12693) and HFP program regulations.

This packet contains the necessary information to submit a complete proposal for the Insurance-based Oral Health Demonstration Project. **Plans wishing to submit a proposal must ensure their proposals are received at MRMIB by no later than close of business on Friday, July 11, 2003.** Late submissions will not be accepted.

All plans selected for participation in the Insurance-based Oral Health Demonstration Project will be expected to have their project and any collateral materials approved by their regulatory entities (if necessary) and ready for implementation no later than October 1, 2003. Potential contractors should time their regulatory filing to coincide with these dates. Contractors unable to meet these timelines will not be eligible to participate.

A Bidder's Conference will be held on Wednesday, May 28, 2003, from 1:00 P.M. to 3:00 P.M. at the MRMIB office located at 1000 G Street, Suite 450 in Sacramento. At the Bidder's Conference, MRMIB staff will review the solicitation package including the

model contract amendment, the proposal requirements, and answer questions from participants.

Selection of proposals for participation in the Insurance-based Oral Health Demonstration Project

The Board will review all proposals in their entirety using the following factors:

1. Relative effectiveness of the proposal in addressing the goals and objectives of the Demonstration Project.
2. The plan's ability to improve the utilization of dental services in the target population. Factors that will be considered include but are not limited to: The plan's proposed network of providers, clinics and other facilities including providers who have experience serving the population, the ability to overcome administrative obstacles related to geographic boundaries, and innovative approaches for oral health education and increased patient awareness.
3. Relative effectiveness of the proposal in addressing project feasibility issues. For example, project partners must demonstrate their ability to implement projects on a timely basis. If funding for dental or health care providers is requested, project partners must demonstrate their ability to fill the requested positions on a timely basis or within 90 days from the project's approval date.
4. Ability to work cooperatively with MRMIB staff to meet program and regulatory timeframes. This includes the plan's commitment to comply with the extensive data collection and strict reporting requirements (including demographic, disabilities and other medical conditions information), as specified in the contract amendment.
5. The cost effectiveness (price) of the proposal, as demonstrated by the plan's cost to deliver specified benefits and limitations on administrative costs.
6. Willingness to adhere to Model Contract language.

Individual factors will not be given specific points in the evaluation process. The evaluation will be comparative, and each proposal will be evaluated in its entirety. During the review process, the State may enter into negotiations with potential plans on the contents of the proposal submission, including its proposed price. The State reserves the right to accept a proposal as submitted. The final decision is at the sole discretion of the MRMIB.

Proposal Format: A complete proposal includes all of the items listed below.

One original and five complete copies of all of the requested items in a 3 ring binder must be submitted to the attention of Ruben Mejia and received by MRMIB at 1000 G Street, Room 450, Sacramento, CA 95814 by 5:00 P.M. on July 11, 2003. Late submission will not be accepted.

A. Items to Be Submitted:

1. Cover Letter: This letter should be on the plan's letterhead and should be signed by a person able to enter into contracts on behalf of the health or dental plans. The letter should include the name, title, phone, and fax number of the plan's contact person for any follow-up contact required by the Board. The letter should also include an outline of the number of proposals submitted and the total dollar amount requested.
2. Model Contract Amendment Language: Enclosed is the 2003 Insurance-based Oral Health Demonstration Project Model Contract Amendment. Entities interested in contracting with the MRMIB should review the amendment language and complete and sign the document. Several areas of the Model Contract Amendment require potential plans to provide "fill in the blank" information (including signor's name, title, address, and company tax ID number on the cover page). All such areas should be completed prior to submission.
3. Project Description: Each project proposal must include a clear and concise statement describing the purpose of the project, how the project will meet the objectives of the demonstration project, and details of how the specific oral health needs of the community will be addressed. **Proposals should describe how the project will build on the local childhood oral health efforts supported by County Children and Families Commissions.**
4. Scope of Work including Work Plan and Timeline: A description of the strategy or approach to be used by the plan which would meet the specific goals of the project, including project management, reporting strategies, data collection methodologies, and quality assurance activities. The format for submitting the scope of work is included (**Enclosure C**).
5. Additional Requested Items:
 - a. A listing, including the name, address, city, county, zip code, and specialty of the proposed providers, clinics and other facilities in the plan's network available to the target population. Indicate if the provider, clinic or other facility is currently part of the plan HFP network or is in addition to the current network. Additionally, include a total number of children up to five years old that the provider, clinic and other facility currently serves, and a description

of services and or programs currently provided by the provider, clinic and other facility. Plans are encouraged to include letters of support from the providers, clinics and other facilities they have worked with and are included in their network.

- b. A budget outlining the expenditures for each project being submitted for approval. Including a description of the plan's administrative costs for each project (in total dollars as well as a percentage of the total project request). The budget detail for each proposal should be provided in the enclosed template (**Enclosure D**). Administrative costs cannot exceed 10% of the total proposed price of a project. Administrative costs are considered in the selection process of each project under the cost effectiveness criteria. MRMIB will adjust the budget based on the number of projects approved.

Questions regarding this proposal solicitation and model contract amendments should be addressed to Ruben Mejia at (916) 324-6939. We look forward to working with you and to your continued participation in providing services to our HFP subscribers.

Enclosures

- A. Model Contract Amendment for Dental Plans
- B. Model Contract Amendment for Health Plans
- C. Scope of Work Template
- D. Budget Template

Model Contract Amendment for Dental Plans

This will be a standard form 2 : Contract cover sheet

(Changes to the current contract are underlined throughout this document)

Therefore the Agreement is amended as follows:

1. Item I.C., is hereby changed to read as follows:

C. Geographic Areas Covered

1. The Contractor's participation in the Program is limited to enrollment of Program subscribers who reside in the Contractor's licensed service area accepted by the State. These geographic areas are described in Attachment A: Geographic Area Grid, which is hereby incorporated into this Agreement. Geographic coverage in the Program may be changed only upon written approval by the State. The Contractor shall request such approval in writing at least sixty (60) calendar days prior to the date the change will take place. The State's approval or disapproval shall be in the form of a letter from the State to the Contractor. If the change requested is to withdraw from an area due to a plan initiated licensure change, the State shall cease new enrollment of subscribers in the area and the Contractor shall continue to maintain and provide services to subscribers in the area until the end of the benefit year. If the change requested is to withdraw from an area due to a plan initiated licensure removal for a date that is not concurrent with the Program's open enrollment, then the Program will hold a special open enrollment pursuant to Section IV.E.
1. The Contractor is also participating in the Insurance-based Oral Health Demonstration Project. The services provided by the contractor through its provider network participating in this project, shall achieve one or more of the following goals:
 - a) Increase utilization of preventive dental care services to children five years of age and younger.
 - b) Increase the capacity of dental providers to serve the oral health needs of young children including those with disabilities and special needs.
 - c) Increase access to dental services for young children living in rural and frontier areas of California.

The contractor will provide services under the Insurance-based Oral Health Demonstration Project through its provider network for specific projects listed in Attachment XXX, which covers the period

from October 1, 2003 through June 30, 2004. Attachment XXX is hereby incorporated into this Agreement by reference as if fully set forth herein.

3. The Contractor also agrees to request and maintain complete project records for each participating provider's project including, scope of work for each project which will specify the goals and objectives of each project, the specific strategies that will be used by the provider to meet their project goals and objectives, and specific deliverables and project timelines. The Contractor also agrees to maintain fiscal accountability for each project by requesting a project budget from each provider, monitoring expenditures and maintaining reimbursement records for services performed for each project.

2. Item I.G. is hereby added to read as follows:

G. Insurance-based Oral Health Demonstration Project

The Contractor agrees to participate in the Insurance-based Oral Health Demonstration Project and agrees to provide specific services through its provider network as described in the Scope of Work. The Contractor agrees to inform the State of all its monitoring activities assuring the provision of services related to the Insurance-based Oral Health Demonstration Projects. The Contractor understands that the State may perform on-site inspections to monitor the Contractor's compliance with the Insurance-based Oral Health Demonstration Projects contract terms.

3. Item I.H. is hereby added to read as follows:

H. Insurance-based Oral Health Demonstration Project

The Contractor agrees to submit to the State quarterly progress reports for each Insurance-based Oral Health Demonstration Project listed in Attachment XXX. The quarterly progress reports shall be submitted in a format specified by the State. The quarterly progress reports must be received by the State no later than forty-five (45) days following the end of the previous quarter. The quarterly reports are due May 15, August 15, November 15 and February 15 of each year. The quarterly progress report shall contain the following:

- a. A comparison of actual accomplishments to the objectives established for each project for the applicable time period as specified in the scope of work,

- b. If established objectives are not being met, an explanation of why objectives have not been met, and an analysis and explanation of any delays or problems in project implementation
- c. A detailed report on children being served by the project and the specific services that have been provided. The report shall include: name and address of provider, project type, date of child's visit, name and address of the child, the child's HFP identification number (CIN), type of services provided, and data on the child's prior dental visits. The report shall be submitted in a format determined by the State.

4. Item IV.B. is hereby changed to read as follows:

B. Payment Schedule

- 1. For the first month or partial month of a subscriber's coverage the State agrees to pay one hundred percent (100%) of the fee described in Item IV.A. of this Agreement for subscriber's with effective dates of coverage on the first (1st) through fifteenth (15th) day of the month. No fee will be paid for the first partial month of coverage for subscribers whose coverage begins on the sixteenth (16th) through thirty-first (31st) day of the month. The State agrees to pay the fee within fifteen (15) days after the completion of the month of coverage.
- 2. For all months of coverage after the first month in which a subscriber's coverage becomes effective, the State agrees to pay the fee described in Item IV.A. of this Agreement. The State agrees to pay the fee within fifteen (15) days after the completion of the month of coverage.
- 3. For the period July 1, 2000 through November 30, 2002, the State agrees to pay a one-time fee equal to a one-month fee as described in Item IV.A. of this Agreement for any subscriber who is retroactively disenrolled for sixty (60) days pursuant to Article 2 of the Program regulations. Starting December 1, 2002 retroactive disenrollment for non payment of premiums is no longer a feature of the Health Families Program, and the State will pay the Contractor the applicable monthly fee, through the end of the month in which the subscriber is still enrolled.
- 4. The State shall reimburse the Contractor for the costs of reimbursing the Survey Vendor for the Dental Consumer

Assessment of Health Plans Survey, in accordance with Item VI.H of this Agreement.

5. The State agrees to pay Contractor a total up to \$XXX.XX for the projects related to the Insurance-based Oral Health Demonstration Project as described in Attachment XX for Fiscal Year 2003-2004. The Contractor shall submit monthly invoices for funds in arrears as needed for reimbursement for the preceding month's expenditure for dental care services provided through the Insurance-based Oral Health Demonstration Project until the total lump sum has been expended. Payments related to services provided through the Insurance-based Oral Health Demonstration Project will occur within 45 days of date of receipt of an acceptable invoice.
6. The Contractor agrees that the provision of the specific Insurance-based Oral Health Demonstration projects, as described in the Scope of Work (Attachment XXX), must be fully and satisfactorily met in order to retain funding. The Contractor agrees that if the State determines that any provision of the Insurance-based Oral Health Demonstration Project not been fully met, or has not been fully performed to the State's satisfaction, the State may initiate one or several of the following actions:
 - a. Temporarily withhold payments pending correction of the identified deficiency by the Contractor or disallow activities not in compliance.
 2. Suspend or cancel part or all of the specific Insurance-based Oral Health Demonstration Project.
 - c. Demand repayment from the Contractor for any payments paid to Contractor for the specific Insurance-based Oral Health Demonstration Project in question. The Contractor may request that the State establish a repayment plan for the demands. The State reserves the right to approve or deny the Contractor's request for establishment of a repayment plan for such funds. The State also reserves the right to offset the funds demanded against other State funds still owed to the Contractor under the Insurance-based Oral Health Demonstration Project.
7. The Contractor agrees that the Insurance-based Oral Health Demonstration Projects covering the July 2004 through June 2006 period are contingent on the Contractor's continued participation in the Program.

5. Attachment XXX "Insurance-based Oral Health Demonstration Project Listing" for Fiscal Year 2003-04 is included in this amendment and is incorporated by reference as if fully set forth herein.
6. Attachment XXX "Scope of Work for FY 2003-04" is included in this amendment and is incorporated herein by reference as if fully set forth herein.
7. The effective date of this amendment is October 1, 2003.
8. All other terms and conditions remain unchanged and in full force and effect.

Model Contract Amendment for Health Plans

This will be a standard form 2 : Contract cover sheet

(Changes to the current contract are underlined throughout this document)

Therefore the Agreement is amended as follows:

1. Item I.C., is hereby changed to read as follows:

C. Geographic Areas Covered

1. The Contractor's participation in the Program is limited to enrollment of Program subscribers who reside in the Contractor's licensed service area accepted by the State. These geographic areas are described in Attachment A: Geographic Area Grid, which is hereby incorporated into this Agreement. Geographic coverage in the Program may be changed only upon written approval by the State. The Contractor shall request such approval in writing at least sixty (60) calendar days prior to the date the change will take place. The State's approval or disapproval shall be in the form of a letter from the State to the Contractor. If the change requested is to withdraw from an area due to a plan initiated licensure change, the State shall cease new enrollment of subscribers in the area and the Contractor shall continue to maintain and provide services to subscribers in the area until the end of the benefit year. If the change requested is to withdraw from an area due to a plan initiated licensure removal for a date that is not concurrent with the Program's open enrollment, then the Program will hold a special open enrollment pursuant to Section IV.E.
2. The Contractor is also participating in the Insurance-based Oral Health Demonstration Project. The services provided by the Contractor through its provider network participating in this project, shall achieve one or more of the following goals:
 - a) Increase utilization of preventive oral health care services to children five years of age and younger.
 - b) Increase the capacity of medical providers to serve the oral health needs of young children including those with disabilities and special needs.
 - c) Increase access to oral health services for young children living in rural and frontier areas of California.

The contract will provide services under the Insurance-based Oral Health Demonstration Project through its provider network of specific projects listed in Attachment XXX, which covers the period

from October 1, 2003 through June 30, 2004. Attachment XXX is hereby incorporated into this Agreement by reference as if fully set forth herein.

3. The Contractor also agrees to request and maintain complete project records for each participating provider's project including, scope of work for each project which will specify the goals and objectives of each project, the specific strategies that will be used by the provider to meet their project goals and objectives, and specific deliverables and project timelines. The Contractor also agrees to maintain fiscal accountability for each project by requesting a project budget from each provider, monitoring expenditures and maintaining reimbursement records for services performed for each project.

2. Item I.G. is hereby added to read as follows:

G. Insurance-based Oral Health Demonstration Project

The Contractor agrees to participate in the Insurance-based Oral Health Demonstration Project and agrees to provide specific services through their provider networks as described in the Scope of Work. The Contractor agrees to inform the State of all its monitoring activities assuring the provision of services related to the Insurance-based Oral Health Demonstration Projects. The Contractor understands that the State may perform on-site inspections to monitor the Contractor's compliance with the Insurance-based Oral Health Demonstration Projects contract terms.

3. Item I.H. is hereby added to read as follows:

H. Insurance-based Oral Health Demonstration Project

The Contractor agrees to submit to the State quarterly progress reports for each Insurance-based Oral Health Demonstration Project listed in Attachment XXX. The quarterly progress reports shall be submitted in a format specified by the State. The quarterly progress reports must be received by the State no later than forty-five (45) days following the end of the previous quarter. The quarterly reports are due May 15, August 15, November 15 and February 15 of each year. The quarterly progress report shall contain the following:

- a. A comparison of actual accomplishments to the objectives established for each project for the applicable time period as specified in the scope of work.
- b. If established objectives are not being met, an explanation of why the objectives have not been met, and an analysis and explanation of any delays or problems in project implementation.
- c. A detailed report on children being served by the project and the specific services that have been provided. The report shall include: name and address of provider, project type, date of child's visit, name and address of the child, the child's HFP identification number (CIN), type of services provided, and data on the child's prior dental visits. The report shall be submitted in a format determined by the state.

4. Item IV.B. is hereby changed to read as follows:

B. *Payment Schedule*

- 1. For the first month or partial month of a subscriber's coverage the State agrees to pay one hundred percent (100%) of the fee described in Item IV.A.1. of this Agreement for subscriber's with effective dates of coverage on the first (1st) through fifteenth (15th) day of the month. No fee will be paid for the first partial month of coverage for subscribers whose coverage begins on the sixteenth (16th) through thirty-first (31st) day of the month. The State agrees to pay the fee within fifteen (15) days after the completion of the month of coverage.
- 2. For all months of coverage after the first month in which a subscriber's coverage becomes effective, the State agrees to pay the fee described in Item IV.A.1. of this Agreement. The State agrees to pay the fee within fifteen (15) days after the completion of the month of coverage.
- 3. For the period July 1, 2000 through November 30, 2002, the State agrees to pay a one-time fee equal to a one-month fee as described in Item IV.A.1. of this Agreement for any subscriber who is retroactively disenrolled for sixty (60) days pursuant to Article 2 of the Program regulations. Starting December 1, 2002, retroactive disenrollment for non payment of premiums is no longer a feature of the Healthy Families Program, and the State will pay the Contractor

the applicable monthly fee, through the end of the month in which the subscriber is still enrolled.

4. The State agrees to pay the lump sum payment for delivery of one or more infants born to a subscriber parent enrolled in the Program. The State shall pay for the following International Classification of Diseases, 9th Revision, Clinical Modification (ICD-9) codes: V27.0 through V27.9.
 - a. The Contractor shall submit a monthly Lump Sum Delivery Financial Report to the State by the 10th day of each month, in a format specified by the State, requesting payment for delivery services provided to subscriber parents.
 - b. With each monthly Lump Sum Delivery Financial Report the Contractor agrees to submit proof of delivery for each billed subscriber parent. Proof of delivery shall be a copy of a UB 92 hospital claim form, a copy of the subscriber parent's medical chart, or any other format mutually agreed to by the State and the Contractor.
 - c. The Contractor understands and agrees that the State shall not make payments for any subscriber parent delivery without the proof described above in Item IV.B.4.b.
 - d. The Contractor understands and agrees that the State may audit the Contractor's Lump Sum Delivery Financial Reports. The Contractor agrees to provide the State with the medical records of the subscriber parents selected and identified for audit. The Contractor agrees that if the results of the State audit determine that the lessor of (i) 10 percent (10%) or more or (ii) five (5) or more of the subscriber parent deliveries identified in the audit were billed incorrectly to the State, a further audit of medical records may be conducted by the State for all subscriber parent delivery lump sum payments made by the State to the Contractor for the previous twelve (12) months.
 - e. The Contractor shall be allowed to submit a lump sum payment request for a subscriber parent delivery up to twelve (12) months after the date of delivery. The Contractor understands and agrees that requests for lump sum delivery payments for a subscriber parent more than twelve (12) months after the date of delivery will not be paid by the State.

- f. The State and the Contractor agree to protect the confidentiality of data on individual subscriber parents submitted for lump sum payment of delivery.
- 5. The State agrees to pay Contractor a total up to \$XXX.XX for the projects related to the Insurance-based Oral Health Demonstration Project as described in Attachment XX for Fiscal Year 2003-2004. The Contractor shall submit monthly invoices for funds in arrears as needed for reimbursement for the preceding month's expenditure for dental care services provided through the Insurance-based oral Health Demonstration Project until the total lump sum has been expended. Payments related to services provided through the Insurance-based Oral Health Demonstration Project will occur within 45 days of date of receipt of an acceptable invoice.
- 6. The Contractor agrees that the provision of the specific Insurance-based Oral Health Demonstration projects, as described in the Scope of Work (Attachment XXX), must be fully and satisfactorily met in order to retain funding. The Contractor agrees that if the State determines that any provision of the Insurance-based Oral Health Demonstration Project not been fully met, or has not been fully performed to the State's satisfaction, the State may initiate one or several of the following actions:
 - a. Temporarily withhold payments pending correction of the identified deficiency by the Contractor or disallow activities not in compliance,
 - 3. Suspend or cancel part or all of the specific Insurance-based Oral Health Demonstration Project.
 - c. Demand repayment from the Contractor for any payments paid to Contractor for the specific Insurance-based Oral Health Demonstration Project in question. The Contractor may request that the State establish a repayment plan for the demands. The State reserves the right to approve or deny the Contractor's request for establishment of a repayment plan for such funds. The State also reserves the right to offset the funds demanded against other State funds still owed to the Contractor under the Insurance-based Oral Health Demonstration Project.
- 7. The Contractor agrees that the Insurance-based Oral Health Demonstration Projects covering the July 2004 through June 2006

period are contingent on the Contractor's continued participation in the Program.

5. Attachment XXX "Insurance-based Oral Health Demonstration Project listings" for Fiscal Year 2003-04 is included in this amendment and is incorporated by reference as if fully set forth herein.
6. Attachment XXX "Scope of Work for FY 2003-04" is included in this amendment and is incorporated herein by reference as if fully set forth herein.
7. The effective date of this amendment is October 1, 2003.
8. All other terms and conditions remain unchanged and in full force and effect.

Enclosure C

Budget Template

Enclosure D

Plan Name
Contract Number

**Managed Risk Medical Insurance Board
Insurance-based Oral Health Demonstration Project
Budget
Template
10/01/03 - 06/30/04**

Line Item	Amounts
Personnel	\$-0-
Operating Expenses	
Program Expenditures (Direct client services)	
Other Costs (Audit Costs)	\$0
*Indirect Costs (10% maximum)	\$0
Total Proposed Budget	\$0

*** Indirect Costs may be budgeted at a maximum of 10% of total salaries and wages excluding total fringe benefits. Please note that a line item detail form is not required for the Indirect Costs line item.**